GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:401
ANSWERED ON:24.04.2000
NEW SYSTEM FOR SHARING OF POWER
RUDRAGOUDA PATIL;Y.S. VIVEKANANDA REDDY

Will the Minister of POWER be pleased to state:

(a) whether the Government propose to introduce a modified system for sharing of power generated by the Central Government`s projects in various States to bring it in tune with the realities of modern times;

(b) if so, whether the new system is different from the earlier one;

(c) if so, the details of the other aspects of the new system; and

(d) the extent to which the new system is likely to help those States which are suffering from power shortage?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRIMATI JAYAWANTI MEHTA)
(a) to (d) : A Statement is laid on the Table of the House. STATEMENT
QUESTIONNO.401 TO BE ANSWERED IN THE LOK SABHAON 24.4.2000 REGARDING NEW SYSTEM FOR SHARING O
POWER.

(a) to (d) : It has been decided to treat the existing `Gadgil formula` for allocation of power to the States/UTs from Central sector power stations as `guidelines`. There will be no change to the contents of the formula and it will not disturb the allocation already made under the formula. Under the `guidelines` power from the new central sector power stations will be made in accordance with power purchase agreements (PPA) to be signed between the central sector power utility and the State/UT or any of their authorised agency or Board. First offer for purchase of power shall be made by the central sector power utility to the constituent states of the region as per their entitlement. In case any constituent of the region does not buy its share or part thereof, the central sector power utility shall have the right to sell that power to any other State/UT in accordance with the PPA to be entered into by them. However, such offer by the central sector power utility shall be made first to the State(s)/UT(s) withinthe region (where power station is located) before diverting the power to State(s)/UT(s)outside the region. Where there are more than one claimants to the surplus power, so offered, weightage in allocation shall be given to the power sector reforming State(s)/UT(s).The reforming States/UTs will also get weightage in allocation of power from 15% unallocated power available at the disposal of centre keeping in view their urgent/seasonal requirements.